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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

In the Matter of )  
 )  
Worldcom, Inc. and MCI )  
Communications Corporation )

CC: Docket No. 97-211

DOCKET FILED

ORIGINAL

REPLY COMMENTS OF  
THE AMERICAN FEDERATION OF LABOR AND  
CONGRESS OF INDUSTRIAL ORGANIZATIONS  
IN SUPPORT OF GTE SERVICE CORPORATION'S MOTION TO DISMISS

815 16<sup>th</sup> Street, N.W.  
Washington, D.C. 20006

February 5, 1998

## **PROPOSED WORLDCOM-MCI MERGER**

The proposed acquisition of MCI by WorldCom will create a new \$40 billion monopoly in the communications industry and the potential for serious problems for residential and small business consumers and workers in the telecommunications industry.

WorldCom has already demonstrated a disregard for the importance of providing telecommunications services to homes and smaller businesses. This company has actively campaigned against requirements that firms of its type provide "universal service" — the program that guarantees every community local telephone services at reasonable rates. This poses a particularly dangerous threat to low-income neighborhoods whose access to affordable communications could be seriously diminished.

If it proceeds, this acquisition would merge the second and fourth largest companies in the long-distance telephone service industry, significantly consolidating the long-distance market.

The deal would decrease facilities-based investment, reducing local network development and cutting consumer options.

A WorldCom/MCI merger would result in the company controlling more than 50 percent of the Internet backbone, creating the potential higher prices and discriminatory access policies that could curtail consumers' access and use of this growing and global communications link.

Clearly, this merger would violate the pro-competitive intent of the Telecommunications Act of 1996.

The combination of these two companies would potentially cut job growth in the telecommunications industry by more than 75,000 jobs over the next four years. Meanwhile, WorldCom/MCI senior executives would reap more than \$320 million in bonuses.

Based on the potential for major negative impacts on consumers, telecommunications workers and their families, the AFL-CIO opposes the proposed merger of WorldCom and MCI.

We will speak up vigorously in opposition to this damaging and harmful merger in our communications with Congress and before all appropriate federal and state government departments, agencies and commissions.

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